GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2038
ANSWERED ON:01.12.2000
COMPETITIVE BIDS FOR AIR INDIA
P.D. ELANGOVAN

Will the Minister of DISINVESTMENT be pleased to state:

(a) Whether the Government have invited competitive bids from the foreign collaborated joint airlines to run AIR India as the strategic partner;

(b) if so, the details thereof;

(c) the reasons on the above said decision by the Government;

(d) Whether the Government have received bids from various joint-venture companies like the Reliance-British Airways, Tata-Singapore Airlines, Pilot`s Guild to be a strategic partner; and

(e) if so, the details thereof ?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) to (e) The Government has, in accordance with Government`s stated policy on disinvestment and after considering the recommendations of the Disinvestment Commission, decided in principle in May, 2000 to disinvest 60% of the equity in Air India by way of sale of 40% equity in favour of a strategic partner, up to 10% to the employees and balance in favour of financial institutions and/or in the market. In pursuance to the decision, Government issued advertisement in leading newspapers on 2.10.2000 inviting Expression of Interest (EOI).JM Morgan Stanley, Advisor of the Government for the transaction, has received EOI from certain prospective partners. However, at this stage when the transaction is in the initial stages, it would be premature to officially disclose the names of the interested investors and furthermore such a disclosure may adversely affect the process of the transaction.